

## **NGA Policy Academy Team**

MOSTARS Building  
3515 Amazonas  
Jefferson City, MO  
March 14, 2003

David Mitchem opened the meeting with introductions.

### **Attendees**

Gracia Backer – Dept. of Labor and Industrial Relations, Rick Beasley – Div. of Workforce Development, James Dickerson – Workforce Investment Board, John Gaal – St. Louis Carpenters Joint Apprenticeship Program, David Mitchem – MTEC Executive Director, Dr. Orlo Shroyer – Dept. of Elementary and Secondary Education, Clinton Flowers – MTEC Staff, Dr. Nancy Headrick – Dept. of Elementary and Secondary Education, Glenda Terrill – MTEC Staff, John Wittstruck – Coordinating Board for Higher Education, Mary S. McKinney – MTEC Staff, Michael Waltman – Division of Workforce Development, Holly Harber – MERIC, Roger Baugher – Div. of Workforce Development, Mark Mehmert – MOICC, Bill Niblack – MERIC, Cynthia Quetsch – DOLIR, Ron Vessell – Division of Vocational Rehabilitation, Connie Ward – Division of Family Services, Dr. Henry Shannon – St. Louis Community College, Marty Romitti – MERIC, Timothy Smith – MERIC

Let's look at the agenda for today. We will start with a presentation regarding Missouri's economy and how it relates to workforce issues. Then in preparation for going to Washington DC we have to identify a number of projects the team is going to work on over the next two years. I've taken the projects that were listed from our last meeting and put them on the agenda with the questions we are going to have to answer in Washington DC. Hopefully, there will be additional suggestions on projects, if so we will add them to the list. One of the first tasks in DC will be to hone down the list to three. However, we may do that at this table today. There is a formal presentation to start the meeting in DC. Each state is making a fifteen-minute presentation to the other five states. Item three identifies the areas we need to discuss. I thought we would flesh out the state profile, add more specific goals and strategies as well. You may have additional items you want to add to this agenda. Anything we need to add to the agenda at this time? If not we will get started with Marty Romitti.

### **I. Missouri Economic Condition 2003**

**Marty Romitti**

Missouri continues to be one of a dozen states that is listed as mired in recession. We date the recession as beginning March 2001. That's when the National Business Cycle dating committee dated the start of the national recession; they have yet to determine an end date. Most of the figures I'll be reporting are from March 2001 through the end of 2002. Over the course of the recession period Missouri is down a net of 94,500 jobs. There are 36 other states that have experienced employment declines over that period. Missouri is the second highest in percentage declines although there are ten other states that are with us as far as having greater than 2% employment declines. We're currently 8<sup>th</sup> greatest in actual job loss. Missouri dipping below 20,000 jobs lost in a 3-month period on net has only occurred during general national recession periods. What you see is a sustained stagnation job loss in the state. As the months keep rolling along it's setting itself up as unique because it's a longer duration than we've seen in the past two recessions. That is something of concern.

In the 2002 period we continue to be suffering some severe employment declines. A lot of the job decline we're seeing is tied up in national factors, national economic trends, and national shocks. This isn't necessarily a unique problem to Missouri. In many ways Missouri's economy very closely resembles the national economy itself. Perhaps more so than any other state. Many of the things reported on the national level come back to hit home. One of the big messages for the workforce and Missourians in general is that things that happen on a global scale although may seem far removed from what's happening in our lives actually come back to affect the workforce and the economy of our state.

We are seeing job losses across all sectors in Missouri. However, on a more positive note the income levels of those Missourians still working are tracking the U.S. pretty well. In trajectory it's mirroring the U.S. but historically we continue to be a lower wage state.

All the reports in the newspaper about net job losses hides an important fact. Missouri's economy and economies in general are always generating jobs. There is always job creation. Looking at actual job churning for 2001:

- Although 2001 represented a period of national recession, Missouri created nearly 315,000 new jobs, and experienced a small net growth (210) in the number of businesses in the state.
- Nearly one-third of all Missouri businesses added employment in 2001 while another third maintained their existing employment levels. This means two-thirds of the businesses in the state survived and even thrived during the midst of the national recession.
- More than 13,000 new businesses started up in Missouri in 2001, creating almost 150,000 new job opportunities for Missourians.
- More businesses added jobs in Missouri (36,156) in 2001 than reduced employment (35,669).
- There were nearly as many new businesses established in the state (13,398) in 2001 as businesses that closed (13,675).
- Net job loss was greatest among the largest firms, but all firm sizes other than business suffered net job loss during 2001. Yet, only 1.1 jobs were lost for every job gained during 2001.

Our biggest announced job layoffs in 2002 were spread throughout the state. Some of the challenges that you are facing is the challenge of economic growth and spreading it evenly across the state and the difficulty of the rural areas. We did a study of workers laid off in manufacturing in 1999. We looked at how they were doing a year later. Here's what we found:

- Only 74.3% of manufacturing workers laid off in 1999 were reemployed one year later, making 85.3% of their pre-layoff wages.
- With the exception of 188 workers that switched to construction or TCPU, none of the workers re-employed outside of manufacturing were able to recover 100% of their pre-layoff wages.

What I'm saying in regard to the challenge of the rural areas is when you lose a good high paying manufacturing job in a rural area there is not necessarily other opportunities of those types of jobs to pick up. So what happens is a gradual decline in wealth for rural America but it is a state problem as well. I matched this up to what I call job nodes. I'm defining job node as areas where people in a particular county or area are likely to look for employment opportunities. What you are faced with is people who like the rural lifestyle but when you lose employers what are you left with? Basically, you try to find these job nodes for commuting and creating opportunities. We did a study regarding the draining of wealth from the rural areas. The internal revenue service worked with us. They gave us

data to give us some idea where people moved to over the course of a year. Boone County gained \$49.4 million from people moving out of rural Missouri for work opportunities.

The reason workforce is so important is because the one thing you can offer is the workforce.

- Most of the new jobs created by 2010 will require some training beyond High School.
- The differences in career earnings between those who choose to pursue higher education and life long learning and those who do not averages between \$1 million and \$3 million dollars.

I appreciate you letting me have a little time. I wanted to raise some issues more than give you any answers. Let me know if you want to follow up on any of the figures.

### **Missouri 2000 The State of the Future**

**Gracia Backer**

The last time I ran into David it sounded as if we were trying to recreate the wheel. So I asked Ken at State Archives to find this report to see if there was anything pertinent to show what processes were followed in 1987. I just received it this morning so I'm not even going to pretend to tell you what's in it. Marty might be interested in seeing if any of these hold true with his projections.

### **Missouri @ Work**

**Rick Beasley**

A couple weeks ago the governor had a job summit. He invited a number of individuals to participate. There were five categories which were: strengthening education and workforce skills, increasing business competitiveness, investment communities, building infrastructure capacity and reforming government & regulatory rules. This is the governor's short-term strategies for Missouri and how we will increase economic development in the state through partnerships. He also released the document "A Blueprint for Prosperity and Jobs" which was put together by the Department of Economic Development which was initiated through a number of roundtables we had across the state. It didn't have just government there. There were business leaders and community leaders from all across the state. To really tell where we should go in developing this blueprint for Missouri and how we can achieve economic growth and enhance our economic growth. The summit initiated two things. One was to release the short-term strategies the governor has laid out and then the long-term strategies the governor has laid out. It was similar to the roundtable we had at Boeing. From those roundtable meetings it laid out a blueprint where business really identifies some needs and strategies we should try to implement to enhance Missouri's economic growth.

*Question: What's the next step now that it's been unveiled?*

A number of these initiatives some of the key agencies are responsible for implementing. I know Peter Hopfer who is the deputy director over Agriculture is looking at timelines for initiating certain events out of this short-term agenda. Let's look at education. Step one is expanding education's role in economic development. Again, I think the Dept. of Higher Education is initiating these events within step one. Step two consolidating workforce services into a single one-stop agency. That is something the Dept. of Economic Development is responsible for. Step 3 increasing job-training opportunities; there the governor mentioned how we can expend the funding for investing in Missouri's human capital. There might be a number of agencies responsible for that particular item. In step four this again was Dept. of Economic Development, really MTEC, working with all

departments around the table and what we're doing today would help one develop that state of the workforce report that David has to report to the governor on what these skill gaps are. So, bits and pieces of this agenda certain agencies are responsible for. Peter has developed a timeline in which these items have to be completed and over to the governor's office. We submitted ours to Peter. I think this is a good short-term agenda it's good for us and I know the governor's going to be making some talks around the state promoting this item. The long-term strategies are working with business and how we implement it.

While we at the job summit a number of us participated in a little round table. We broke up into groups and we listed other items in addition to the items here, as well as, the blueprint that we felt probably needed some attention. We ranked them. They just released those to the participants of the job summit, from there they are going to incorporate that into the blueprint.

## **II. Discussion of Potential Cross-Agency/Cross-System Projects**

- A. State of the Workforce Report
- B. Workforce System Scorecard

David Mitchem (DM): We show you all these tools to do a couple things. One, the work that was done in prior years can be used as a potential source of research design. Also, to let you know the initiatives of the governor, those that have been discussed at MTEC and those discussed around this table. Those conversations are very consistent. The issues identified are very consistent and I think these efforts really will complement each other and not be in conflict. Take all this information and layout a report that addresses the major issues that is of concern. As we do a state of the workforce report one of the questions is what's the outcome? What do we want to this report to accomplish? I thought we'd talk a little bit about that.

### ***Discussion***

DM: Any other ideas on potential uses of the document? Anything else you want to talk about on the state of the workforce?

### ***More Discussion***

DM: let's talk about the workforce systems scorecard the thought there was it's a performance scorecard. Is the workforce investment system effective? It is a natural follow-up to the state of the workforce report that gives you a baseline and maybe some trend information. Then as we move forward how do we assess the effectiveness of the system as a whole? I think the MTEC program committee; Roger Baugher's people have already started identifying measures that would be useful. Am I correct?

Roger Baugher (RB): Started is the operative term. We've done some initial work. We're building on the Carnahan questions. We're starting to look across all of the programs that all state agencies operate. How can we measure that consistently without duplicating? We've had some difficulty accumulating the data, it becomes a rather staff intensive issue. We're limited in staff time and have had staff turnover. We're trying to resurrect it from a slightly different viewpoint. Looking at what's been proposed in Washington instead of the WIA seventeen measures that look similar to some of those. We're going to essentially four common measures. Four for ?? and four for you. We're looking at the number of people getting employed, retaining employment, moving to higher earnings.

There is also an efficiency measure being proposed. We're still trying to sift through exactly what that one might mean. Right now it's dollars allocated but I think what we want to do with the team that we put together to talk about system measures. We should go back and revisit as the Dept. of Labor comes out with their definitions of what those measures mean we can see if they line up with ours and see if they make sense.

DM: I think that's fine. We need a broader set of performance measures that include economic performance, performance of the educational system and have a broad set of measures as we talk about the performance of the entire system.

### ***Discussion***

#### **C. Missouri Career Centers becoming a pipeline of referrals to vocational education and community colleges**

We want people to do lifelong learning; they're not getting the training they need to build the skill sets that are in demand in the market place. One way to improve skill sets in the population and drive lifelong learning is use one of the tools at hand, which is Missouri Career Centers. They see a lot of people that need training. Some of them are eligible for federal funding to help get that training and some of them are not but they still need the training. Can we develop a more effective referral system to the community colleges, vocational education and in some cases universities.

For the folks who don't want to go to the unemployment office you can reach out to them through the Internet. Through marketing you can change the perception of the career center.

Mark Mehmert (MM) pointed out that career planning is great but people coming into a career center need immediate assistance. "That's the big problem the time frames and the cushion that you need in order to have a successful outcome aren't there."

DM: Maybe the concept of the career centers being that pipeline is not right.

Jim Dickerson (JD): I think it is right. In this region alone, we've got 10,000 people a month coming through the doors. They need a job and that is their need, on the other side of the coin we've said the wrong thing because the WIA system and the Wagner-Peyser system we have said get those people a job. Not send them to school. You don't get any points for that. There's no incentive. So we have to get them into a job and talk career ladder stuff even though they may not want to hear it. And that's where we change the mindset of the career centers.

DM: Are there incentives we can give them to come back after they get the job in order to talk about lifelong learning so they can keep their skill sets at a level that are competitive in the marketplace.

MM: I think there are incentives we can give them. I think the difficult part of this is "life gets in the way." People have kids so they don't want to go to school at night; employers don't want to do flex time. Sometimes they have two jobs in order to make ends meet. There are a lot of barriers to people continuing their education.

John Wittstruck (JW): This should not be an either or situation. The career center counselor should say here's a job but in order for you to keep that job you're going to have to increase your skills because that job requires something more.

I think one thing that will help this is time. People have to know we are not going to go away, we are going to work. As that maturity comes, being able to count these referrals, look at these referrals and look at the success of these referrals will become easier.

### **C. Identification of essential and technical skills needed by business/industry**

**Dr. Nancy Headrick**

We need to make sure that we have the skills identified that business and industry need. We do have those identified for our vocational education programs in our state. When we developed the competencies for our program we used teachers, business and industry representatives.

One of the new initiatives that have come out are called career clusters. We have taken three industry clusters and we've tied those to what we see as our 16 career clusters. What we are doing in our office right now is taking a look at the career clusters. What is it that we need to do to implement them in our state? That will support [Missouri@work](#) that does support the NGA academy that also supports the initiatives that we have in the department. As we get that system more refined we will be collaborating with the commissioner to get their support to make sure it's on target with what we need to be doing in supporting initiatives in our state as well as the Department of Elementary and Secondary Education.

### **E. Community College Realignment**

This is a way to come up with a seamless kind of system across our state. Some of our high schools are aligned with community colleges. The WIBs should be aligned with the community college districts. As the NGA document focuses on education and training those community college areas make a natural system for us in terms of all the things we've talked about. It seems like this would give some real good direction for our WIBs in trying to meet the needs within their communities. When you've got that lodge?? you know where they can go. When we speak of alignment we're talking about the service area of the community college not the taxing area.

### **F. Additional Proposed Projects**

JW: A joint research agenda. We're doing a lot of stuff informally in terms of the department's cooperating in sharing data and doing research together. Some of these things we're duplicating. A division of labor, a sort of collaborative interdepartmental research agenda. That might be worth identifying as an additional project. I don't know if it should be separate or embedded in A and B I just think it needs to be done.

John Gaal (JG): Incumbent worker training

## **III. Development of the Missouri Team Presentation for the Washington D.C. Academy Meeting**

### **A. State Profile**

We need to decide how we're going to structure this. We can pull some general information out of the MTEC policy brochure. We have enough information I think we can put a couple PowerPoint slides together for the state of the economy and the state of workforce. MTEC and the governor through [Missouri@work](#) has identified a number of key workforce policies that need to be changed. I think we put a profile of the state together.

B. Preliminary goals and expected outcomes

The goals and expected outcomes are really the projects that we have identified over the last couple meetings. We will package those up in a brief format, do one PowerPoint slide apiece, and present the information we've been talking about around the table for the last couple of meetings.

C. Preliminary strategies or initiatives

We've talked a little about strategies but we're weak on strategies but I think most the other states will be weak too. That's an area we can present some preliminary things we've talked about but while we are in DC we will have to flesh it out.

We will make this presentation the first day. The last day we make another presentation and show them our refinements. What I want to be sure of is we have enough additional people engaged in this team, we don't want to go to Washington DC and propose to do something that there is no support for. This is a two-year project that engages multiple departments and state and local communities. If we don't have the support to actually do the work this is a nonstarter and we're wasting our time. I guess we need to decide who is going to give this presentation.

A vote was taken: David will give the presentation.

#### **IV. New Business**